Canadian Radio-television and Telecommunications Commission
Conseil de la radiodiffusion et des télécommunications canadiennes
Canada

News Release

February 17, 1995

EXPANDED FUNDING FOR CANADIAN CHILDREN'S PROGRAMMING AMONG KEY BENEFITS OF CRTC APPROVAL OF SHAW'S PURCHASE OF CUC

OTTAWA/HULL -- The CRTC today approved the transfer of control of CUC Broadcasting Limited to Shaw Communications Inc., controlled by James R. Shaw of Edmonton (Decision CRTC 95-57). The transaction was examined at a CRTC public hearing held in Vancouver in November 1994.

"The CRTC carefully assessed all public benefits associated with Shaw's purchase of CUC and determined that the proposal is in the public interest," said CRTC Chairman Keith Spicer. "To ensure that cable television subscribers, as well as the whole Canadian broadcasting system, enjoy the benefits from the rapidly evolving and increasingly competitive communications environment, it is essential that competition be fair and sustainable. The process of rationalization within the cable industry, which has been ongoing for a number of years, will help ensure that such fair and sustainable competition is possible."

"However," Mr. Spicer added, "to address any concerns arising from the increased potential for power and influence that the transaction will confer upon Shaw, we have insisted that Shaw ensure that third parties have fair and equitable access to cable facilities for the distribution of all programming services. The Commission also notes Shaw's commitment to ensure that none of the costs associated with the transaction is passed on to consumers."

The CUC operations acquired by Shaw and which are regulated by the CRTC are valued at $458.5 million. CUC's broadcast holdings include Trillium Cable Communications Limited, licensee of 30 cable systems in Ontario. Through CUC, Shaw also comes to own 35% of UMG Cable Telecommunications Limited, which operates three other cable systems in Ontario, as well as 34.3% of YTV Canada Inc., licensee of the national specialty television undertaking that provides programming to children and youth.

A key benefit of the Shaw-CUC transaction is that it should lead to more investment in technological innovations which will permit the delivery of new services at competitive prices and the ability for consumers to have better control over the services they receive.

Shaw has also proposed specific benefits representing the expenditure of $45 million over five years. These initiatives include:

- approximately $26.5 million for improvements to the technical plant and the community programming operations of the Trillium cable systems; and
- a contribution of $17.5 million over five years to the new "Dr. Geoffrey R. Conway Programming Fund". This fund will be used to support the development and production of quality, Canadian programming for children, particularly those between the ages of three and five.

The Commission has obtained assurance that there would be no potential for conflict of interest or preferential treatment arising from Shaw's involvement in both the children's fund and YTV. Shaw has committed not to fund any

2008-00705/

production for YTV in which the cablecaster would be the major equity investor, nor will Shaw participate in or fund a production where YTV is the only broadcaster.

- 30 -

Contact: CRTC Public Affairs, Ottawa, Ontario, K1A 0N2
Tel: 819-997-0313, TDD: 819-994-0423, Fax: 819-994-0218

Copies of today's decision are available through the public examination room at any of the following CRTC offices:

City Telephone TDD Fax

Halifax 902-426-7997 902-426-6997 902-426-2721

Montreal 514-283-6607 514-283-8316 514-283-3689

Ottawa/Hull 819-997-2429 819-994-0423 819-994-0218

Toronto 4169546273 416-954-8420 416-954-6343

Winnipeg 204-983-6306 204-983-8274 204-983-6317

Vancouver 604-666-2111 604-666-0778 604-666-8322

[français]